

**NORTH CAROLINA DIVISION OF
AIR QUALITY**

Application Review

Issue Date: **TBD**

Region: Asheville Regional Office
County: McDowell
NC Facility ID: 5600001
Inspector's Name: Mike Parkin
Date of Last Inspection: 01/25/2018
Compliance Code: 3 / Compliance - inspection

<p align="center">Facility Data</p> <p>Applicant (Facility's Name): Coats American - Sevier Plant</p> <p>Facility Address: Coats American - Sevier Plant 630 American Thread Road Marion, NC 28752</p> <p>SIC: 2269 / Finishing Plants, Nec NAICS: 313312 / Textile and Fabric Finishing (except Broadwoven Fabric) Mills</p> <p>Facility Classification: Before: Title V After: Title V Fee Classification: Before: Title V After: Title V</p>	<p align="center">Permit Applicability (this application only)</p> <p>SIP: 02D: .0503, .0515, .0516, .0521, .0524, .1100 02Q: .0317, .0711 NSPS: VVV NESHAP: n/a PSD: n/a PSD Avoidance: VOC NC Toxics: 02D .1100, 02Q .0711 112(r): n/a Other: MACT avoidance</p>
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Contact Data			Application Data
<p align="center">Facility Contact</p> <p>Ryan Bumgardner EHS Manager (704) 328-5687 630 American Thread Road Marion, NC 28752</p>	<p align="center">Authorized Contact</p> <p>Michael Cothran Director of Manufacturing (828) 756-4111 PO Box 368 Marion, NC 28752</p>	<p align="center">Technical Contact</p> <p>Todd Wegenast Regional Environmental Manager (828) 756-4111 630 American Thread Road Marion, NC 28752</p>	<p>Application Number: 5600001.18A Date Received: 09/21/2018 Application Type: Renewal Application Schedule: TV-Renewal Existing Permit Data Existing Permit Number: 01895/T26 Existing Permit Issue Date: 09/08/2014 Existing Permit Expiration Date: 05/30/2019</p>

Total Actual emissions in TONS/YEAR:

CY	SO2	NOX	VOC	CO	PM10	Total HAP	Largest HAP
2017	0.0300	4.35	297.12	3.66	0.0300	1.19	0.4272 [Vinyl acetate]
2016	0.0300	4.02	251.59	3.39	0.0300	0.9295	0.3248 [Methanol (methyl alcohol)]
2015	0.0300	3.48	259.50	2.94	0.2700	2.02	1.45 [Methanol (methyl alcohol)]
2014	0.0300	3.75	252.32	3.15	0.2100	2.00	1.46 [Methanol (methyl alcohol)]
2013	0.0300	3.48	224.49	2.91	0.2100	1.20	0.8033 [Methanol (methyl alcohol)]

<p>Review Engineer: Russell Braswell</p> <p>Review Engineer's Signature: Date:</p>	<p align="center">Comments / Recommendations:</p> <p>Issue 01895/T27 Permit Issue Date: TBD Permit Expiration Date: TBD</p>
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1. Purpose of Application:

Coats American - Sevier Plant ("Coats", "the facility") currently operates a facility in McDowell County, North Carolina. The facility holds Title V Air Quality Permit 01895T26, which is set to expire on May 30, 2019. Coats submitted this permit application in order to renew the existing Title V permit. In addition to renewal, the application requested the removal of several emission sources currently listed on the permit.

No P.E. seal or zoning consistency determination is required for the renewal or proposed changes.

2. Facility Description:

According to the most recent inspection report (Mike Parkin; January 25, 2018) this facility manufactures high-strength threads. The manufacturing process involves application of a polymer coating to the thread.

3. History/Background Since the Previous Permit Renewal:

The Title V permit was most recently renewed on June 10, 2014. No permitting actions have been taken since the previous renewal.

4. Application Chronology:

- September 21, 2018 Application received.
- October 18 and Email correspondence with the facility regarding MACT subpart OOOO and
November 15, 2018 NSPS Subpart VVV.
- November 20, 2018 An initial draft of the permit and associated review were sent to DAQ staff
(Tom Anderson, Mark Cuilla, Samir Parekh, Chris Scott) and Coats staff
(Todd Wegenast). For a summary of comments received, see Attachment 2.
- XXXXX The Public Notice and EPA Review periods began.
- XXXXX Permit issued.

5. Permit Modifications/Changes and TVEE Discussion:

The renewal application requested the following changes to the permit:

- Remove the following sources:
 - Coal storage (I1),
 - Eco Bon (I18),
 - Water repellant fiber coating station (ES-13),
 - Dressing (ES-14),
 - IR thread coating test bonder (ES-18), and
 - Both catalytic oxidizers (CD-05 and CD-06)
- Remove references to MACT Subpart OOOO based on US EPA's reversal of the "Once in, Always in" policy.
- Add an insignificant activity called "Dri Steem Humidifier" (I21).

In addition to the above changes, all of the thread bonder sources are now subject to NSPS Subpart VVV. They were previously not marked as subject due to an oversight.

After reviewing the initial draft, Coats requested that two additional sources be added to the insignificant list: I22 (a hot air dryer with no emissions) and I23 (formerly ES-18, a research and development test bonder). In addition, Coats requested that ES-08 not reference any propane-fired ovens because they have been removed.

The list of changes to the permit can be found in Attachment 1.

6. Regulatory Overview:

Coats is subject to the following State Implementation Plan (SIP) and Federal regulations, in addition to the requirements in the General Conditions:

- 15A NCAC 02D .0503 "Particulates from Fuel Burning Indirect Heat Exchangers"
- 15A NCAC 02D .0515 "Particulates from Miscellaneous Industrial Processes"
- 15A NCAC 02D .0516 "Sulfur Dioxide Emissions from Combustion Sources"
- 15A NCAC 02D .0521 "Control of Visible Emissions"
- 15A NCAC 02D .0524 "New Source Performance Standards" (40 CFR Part 60, Subpart VVV)
- 15A NCAC 02D .1100 "Control of Toxic Air Pollutants"
- 15A NCAC 02Q .0317 "Avoidance Conditions" (PSD Avoidance, MACT Avoidance)
- 15A NCAC 02Q .0711 "Emission Rates Requiring a Permit"

Extensive reviews for the 02D .0503, 02D .0515, and 02D .0516 are not included in this document because the facility's status with respect to these rules has not changed. For a discussion of all other rules included (or not included) in the permit, see Section 7. For a discussion of TAP rules, (e.g. 02D .1100), see Section 8.

7. Rules Review

a. New Source Performance Standards (NSPS; 40 CFR Part 60)

1. *Subpart VVV "Polymeric Coating of Supporting Substrates Facilities"*

This rule applies to facilities for which construction, modification, or reconstruction began after April 30, 1987 and that apply a polymeric coating (as defined by the rule) to a substrate. This rule applies to each thread bonding line at the facility.

Provided that an individual coating line uses less than 95 megagrams (104.72 tons) of VOC in a 12-month period, the only compliance requirements are that the facility keep records of projected VOC usage and actual VOC used on a per-line basis.

Each individual coating line at this facility is expected to use less than 95 megagrams of VOC, so Coats will only have to comply with the monitoring and recordkeeping requirements.

The previous permit only listed ES-12 as subject to this rule. Based on email conversations with Todd Wegenast (representing Coats), this rule should actually apply to each coating line. The permit has been updated to reflect this.

Continued compliance with the rule will be determined with subsequent inspections and reports.

b. Maximum Available Control Technology (MACT; 40 CFR Part 63)

1. *Major Source Status*

This facility is avoiding Major Source status for HAP emissions ("HAP-Major"). As long as the facility is not considered a Major Source, MACTs that apply specifically to Major Sources (e.g. Subpart DDDDD) will not apply to this facility.

In order to comply with the avoidance limits, Coats keeps monthly records of HAP emissions.

Previous permits have contained references and requirements for the two catalytic oxidizers. The purpose of these oxidizers was to comply with the Major Source avoidance conditions (both for PSD and MACT). Coats has determined that these control devices are not necessary to comply with the avoidance limits. Based on an email received December 7, 2018, Coats has not operated the oxidizers since December 2007. Given that the facility has already operated for more than 10 years without using the oxidizers, Coats has requested that these oxidizers be removed from the permit. Because the oxidizers haven't been operating, this change is not expected to affect Coats' ability to comply with the emission limit.

The permit condition for this avoidance limit will be updated to remove references to control efficiency and recordkeeping for the oxidizers.

Continued compliance with MACT avoidance will be determined with subsequent inspections and reports.

2. *Subpart OOOO "Printing, Coating, and Dyeing of Fabrics and Other Textiles"*

This rule applies to facilities that perform printing/coating/dyeing operations of textiles. Per §63.4281(b), this rule only applies to facilities that are HAP-Major.

This facility has previously been a major source for HAP. However, Coats has since reduced HAP emissions and taken a Federally-enforceable limit for HAP such that it is no longer HAP-Major.

Based on EPA's memo from May 16, 1995, triggering applicability for a MACT meant that the rule would apply in perpetuity, regardless of HAP-Major status (a.k.a "once in, always in", or "OIAI"). Therefore, this facility remained subject to these rules even after the facility accepted a limit to avoid HAP-Major status in the future.

EPA reversed the OIAI policy in a memo dated January 25, 2018. Therefore, because this facility is not considered HAP-Major today, this rule no longer applies. References to this rule have been removed from the permit. It should be noted that, if Coats ever becomes subject to this rule again, it will be considered a new source.

3. *Subpart JJJJJ "Industrial, Commercial, and Institutional Boilers Area Sources"*

This rule applies to boilers located at non-HAP-Major sources ("Area Sources"). However, per §63.11195(e), this rule does not apply to any boiler that is only gas-fired. Furthermore in §63.11237, the rule states a gas-fired boiler may fire non-gas fuel during periods of testing, maintenance, and gas curtailment (gas curtailment is also defined in the same section).

Each boiler at this facility meets the definition of "gas-fired boiler" despite being able to fire non-gas fuel because Coats has agreed to only fire non-gas fuels during periods described in the rule. In order to demonstrate compliance with this requirement, Coats keeps records of fuel usage and records the reason that any non-gas fuels were used.

Coats is allowed to change the status of the boilers, provided DAQ is notified within 30 days of the change. If Coats chooses to do so, the compliance requirements of this rule will change.

Continued compliance with this rule will be determined during subsequent inspections and reports.

c. Prevention of Significant Deterioration (PSD)

This facility is a Major Source for PSD purposes but has not undergone a PSD review.

In order to avoid a PSD review, the facility has agreed to several different limits on annual VOC emissions. Each limit is applied on a per-source basis. In general, Coats demonstrates compliance with each limit by performing monthly monitoring and recordkeeping of VOC emissions.

Emission Units	ID Nos.	PSD Avoidance Limit	Comments
Thread Bonding Operation	ES-03	less than 250 tons per consecutive 12-month period	Initially added in Air Permit 01895T12, issued on May 12, 1998.
Twelve thread bonding machines	ES-08	less than 40 tons per consecutive 12-month period	Initially added in Air Permit 01895T18, issued on August 5, 2004.
Two thread Bonders and Water repellant fiber coating station	ES-12 and ES-13	less than 159 tons per consecutive 12-month period	Initially added in Air Permit 01895T21, issued on July 2, 2007.

Previous permits have contained references and requirements for the two catalytic oxidizers. The purpose of these oxidizers was to comply with the Major Source avoidance conditions (both for PSD and MACT). Coats has determined that these control devices are not necessary to comply with the avoidance limits. Based on an email received December 7, 2018, Coats has not operated the oxidizers since December 2007. Given that the facility has already operated for more than 10 years without using the oxidizers, Coats has requested that these oxidizers be removed from the permit. Because the oxidizers haven't been operating, this change is not expected to affect Coat's ability to comply with the emission limit.

The permit condition for this avoidance limit will be updated to remove references to control efficiency and recordkeeping for the oxidizers.

Continued compliance with PSD avoidance will be determined with subsequent inspections and reports.

d. Risk Management Program and Section 112(r) of the Federal Clean Air Act

This facility does not appear to store any materials above their respective thresholds listed in 40 CFR 68.130. Therefore, this facility does not have any increased requirements under Section 112(r).

e. Reasonably Available Control Technology (RACT)

The facility is not located in an area of ozone nonattainment, therefore RACT does not apply.

f. Compliance Assurance Monitoring (CAM; 40 CFR Part 64)

CAM can only apply to an emission source that uses a control device to comply with an emission limit. Now that the two oxidizers have been removed, this facility does not use any control devices. Therefore, CAM does not apply.

g. Other SIP Rules

1. *02D .0958 "Work Practices for Sources of Volatile Organic Compounds"*

This rule requires facilities that use VOC-containing materials to use good work practices when handling those materials.

According to 02D .0902, this rule only applies to areas designated as ozone nonattainment. McDowell County is not such an area, and therefore this rule does not apply to this facility. References to this rule have been removed from the permit.

2. *02D .0516 "Sulfur Dioxide Emissions from Combustion Sources"*

This rule limits SO₂ emissions combustion sources. Previously, this rule applied to sources controlled by the RTOs. Now that the RTOs are no longer included in the permit, references to this rule have been removed.

Note that this rule still applies to the boilers.

3. *02D .0521 "Control of Visible Emissions"*

This rule limits visible emissions VE from sources that have no other applicable VE emission limit. The specific conditions for this rule require periodic observations of VE from these sources, recordkeeping, and reporting.

VE monitoring requirements in this permit have been updated to match the current DAQ standard. They are effectively the same as before. Coats is expected to continue complying with this rule.

8. Toxic Air Pollutants (TAPs)

This facility has submitted air dispersion modeling in order to demonstrate compliance with the Acceptable Ambient Limits (AALs) listed in 02D .1100. The emission rates used in these modeling demonstrations have been incorporated into the permit as emission limits. Based on the actual emission rates at this facility, it has been determined that no monitoring, recordkeeping, or reporting is required to demonstrate compliance with the AALs and TAP emission limits in the permit.

In addition to the modeled emission rates, the permit includes TAP limits from 02Q .0711 for TAPs that the facility has previously emitted but not been required to submit air dispersion modeling. These limits are included in the same permit condition.

This renewal does not trigger a new TAP emission review.

9. Facility Emissions Review

For a historical review of actual emissions from the facility, see the summary table on the first page of this review.

This permit renewal makes several minor changes to the equipment list. The information below is taken from DAQ's historical Emission Inventory data. Based on the information below, the changes to the equipment list are not expected to significantly impact emissions from this facility.

Source Removed	Emissions
Coal storage (I1)	Inactive since the coal-fired boilers were removed in 2010
Eco Bon (I18)	No emissions associated with this source
Water repellant fiber coating station (ES-13)	No emissions associated with this source
Dressing (ES-14)	No emissions associated with this source
Oxidizers (CD-05 and CD-06)	Inactive since December 2007

Source added	Emissions
Dri Steem Humidifier (I21)	The 0.4 MMBtu/hr burner has a maximum potential emission rate of about 350 pounds of NOx and CO.
Hot air dryer (I22)	No specific emissions associated with this source, heated using steam from the existing boilers.
IR thread coating test bonder for product development (I23, formerly ES-18)	This is not a new source, so renaming it will not affect emissions.

10. Compliance Status

- Notices of Violation/Recommendation for Enforcement since the previous renewal

None.

- Inspection status

The facility was most recently inspected by Mike Parkin on January 25, 2018. Coats appeared to be in compliance with the Title V permit at the time of that inspection.

11. Public Notice/EPA and Affected State(s) Review

A notice of the DRAFT Title V Permit shall be made pursuant to 15A NCAC 02Q .0521. The notice will provide for a 30-day comment period, with an opportunity for a public hearing. Consistent with 15A NCAC 02Q .0525, the EPA will have a concurrent 45-day review period. Copies of the public notice shall be sent to persons on the Title V mailing list and EPA. Pursuant to 15A NCAC 02Q .0522, a copy of each permit application, each proposed permit and each final permit pursuant shall be provided to EPA. Also, pursuant to 02Q .0522, a notice of the DRAFT Title V Permit shall be provided to each affected State at or before

the time notice is provided to the public under 02Q .0521 above. South Carolina and Tennessee are affected states, and Buncombe County is an affected local program.

12. Recommendations

Issue Permit 01895T27.

DRAFT

Attachment 1 to review of application5600001.18A
Coats American - Sevier Plant

Change List

Update in final

DRAFT

Attachment 2 to review of application 5600001.18A
Coats American - Sevier Plant

Comments Received on T27 Initial Drafts

- Todd Wegenast, by email on November 26, 2018
 1. Please add two additional sources to the Insignificant Activities list:
 - a. I18- Innovation Center IR Bonder (product development use)
 - b. I22- Galvanin Dye House Hot Air Dryer

Response: Done.
 2. All bonders at the site have been converted to electric. None are natural gas/propane fired at this time. Please remove monitoring, recordkeeping, and reporting requirements applicable to burning of propane. Also, their descriptions should be updated.

Response: Done.
- Betty Gatano, by email on December 7, 2018
 1. The email indicated several typos throughout the draft permit and review.

Response: Fixed.
 2. The permit condition for 02D .1100 and 02Q .0711 should be separated.

Response: Fixed.
 3. Why does the permit contain a condition for 02D .0516 associated with ES-07?

Response: This source previously had propane-fired heaters. Those have been removed, so this condition should also be removed.
 4. The reporting requirement for NSPS Subpart VVV should specify a timeframe and to whom the report is sent. The draft permit doesn't include this information.

Response: The rule doesn't provide explicit timelines. I feel that a 30-day limit from the creation of a projection that exceeds the limit should be acceptable.
 5. The application review should include more information regarding changes in emissions based on the addition of new insignificant sources and the removal of the oxidizers. The review should also clarify how the facility intends to comply with PSD and HAP limits without the oxidizers.

Response: The oxidizers haven't been used at this facility since 2007. Therefore, the facility has been complying with emission limits and reporting actual annual emissions without the oxidizers for more than a decade. I have clarified this in the review. I have also included a table in Section 9 that explains why each new or removed source will not impact potential or actual emissions from this facility. In addition, I have included more information about these processes throughout the review.
 6. The application review should include more information regarding the several separate PSD Avoidance limits in the permit. Specifically, the origins of each one, and how the facility will comply with them without using the oxidizers.

Response: I have included a table that lists each avoidance limit and the permit that first included it. I have also noted that the oxidizers have been offline for more than a decade, so there is no concern regarding the facility's ability to comply with the avoidance limits without the oxidizers.